

DEPARTMENT OF STATE REVENUE

01-20200032R.MOD

**Memorandum of Decision: 01-2020032R
Individual Income Tax
For the Tax Year 2015**

NOTICE: IC § 4-22-7-7 permits the publication of this document in the Indiana Register. The publication of this document provides the general public with information about the Indiana Department of Revenue's official position concerning a specific set of facts and issues. The "Holding" section of this document is provided for the convenience of the reader and is not part of the analysis contained in this Memorandum of Decision.

HOLDING

Couple was granted an extension at the Federal level and therefore had a filing extension in Indiana. Due to this extension, Couple timely filed their 2015 Indiana Income Tax Returns and they are entitled to the claimed refund.

ISSUE

I. Tax Administration - Statute of Limitations.

Authority: IC § 6-8.1-6-1; IC § 6-8.1-9-1; *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579 (Ind. 2014).

Taxpayers protest the denial of their refund claim.

STATEMENT OF FACTS

Taxpayers are a married couple ("Husband" and "Wife") and are Indiana residents. The Indiana Department of Revenue ("Department") denied Taxpayers' claim for refund because they filed their return beyond the three year period required to file a refund claim. Taxpayers protested the denial and elected to have the Department's Refund Section review their claim prior to holding an administrative hearing. After review of the protest, however, the Department's Legal Division determined that it was better suited to address the protest. This Memorandum of Decision results. Additional facts will be provided as necessary.

I. Tax Administration - Statute of Limitations.

DISCUSSION

Taxpayers' 2015 Indiana tax return was initially due April 18, 2016. Taxpayers filed a request for a Federal Filing Extension. The Internal Revenue Service ("IRS") granted an extension through October 15, 2016. Taxpayers filed their 2015 tax return on November 7, 2019. On November 21, 2019 the Department denied Taxpayers' claim for refund.

"[W]hen [courts] examine a statute that an agency is 'charged with enforcing. . . [courts] defer to the agency's reasonable interpretation of [the] statute even over an equally reasonable interpretation by another party.'" *Dept. of State Revenue v. Caterpillar, Inc.*, 15 N.E.3d 579, 583 (Ind. 2014). Thus, all interpretations of Indiana tax law contained within this decision shall be entitled to deference.

The Indiana Code provides guidance on filing a refund claim. IC § 6-8.1-9-1(a) provides:

If a person has paid more tax than the person determines is legally due for a particular taxable period, the person may file a claim for a refund with the department. Except as provided in subsections (j) and (k), in order to obtain the refund, the person must file the claim with the department within three (3) years after the later of the following:

- (1) The due date of the return.
- (2) The date of payment. . .

IC § 6-8.1-6-1(c) provides:

The following apply only to a person's Indiana adjusted gross income tax return or a person's financial institutions tax return:

- (1) *If the Internal Revenue Service allows a person an extension on the person's federal income tax return,*

the corresponding due dates for the person's Indiana income tax returns are automatically extended for the same period as the federal extension, plus thirty (30) days.

(2) If a person petitions the department for a filing extension for the person's Indiana adjusted gross income tax return or financial institutions tax return without obtaining an extension for filing the person's federal income tax return, the department shall extend the person's due date for the person's Indiana adjusted gross income tax return or financial institutions tax return for the same period that the person would have been allowed under subdivision (1) if the person had been granted an extension by the Internal Revenue Service.

(Emphasis added).

Taxpayers provided documentation establishing that the IRS granted an extension through October 15, 2016. Therefore, based on the automatic extension established under IC § 6-8.1-6-1(c)(1) and on the three year window to claim a refund provided by IC § 6-8.1-9-1(a), Taxpayers had until November 14, 2019 to file the refund at issue. Based on additional documentation, Taxpayers filed their 2015 tax return on November 7, 2019. Thus, they timely filed the claim and are entitled to the refund.

FINDING

Taxpayers are sustained.

January 28, 2020

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